

**PRE-PROPOSAL CONFERENCE FOR
RFP ENTITLED: RATE SETTING**

OPASS#: 15-14207

Conducted On
October 8, 2014

Parties Present:

Michele Ferges, Procurement Coordinator
Bernard Simons, Deputy Secretary for Developmental Disabilities
Sharita Alam, CFO and Contract Monitor, DDA
Melissa Glynn, Financial Consultant, DDA
Stephen LeGendre, Assistant Attorney General
Valerie Roddy, Deputy Director for DDA
Allegra Daye, Contract Officer, OPASS
Jessica Foster, Health Management Associates
Ogerta Sema, Public Consulting Group
Mark Podrazik, Burns & Associates
Sara Anderson, Navigant
Dianne Heftron, Mercer

Transcribed By: Always On Time

1 STATE OF MARYLAND

2 DEPARTMENT OF HEALTH AND MENTAL HYGIENE

3 PRE-PROPOSAL CONFERENCE FOR RFP ENTITLED: RATE SETTING

4 OCTOBER 8, 2014

5
6 MICHELE FERGES: Good afternoon everyone. Welcome to
7 the Pre-Proposal Conference for the RFP entitled Rate Setting.
8 My name is Michele Ferges, I'm the Procurement Coordinator. I
9 want to personally thank each of you for attending today.
10 Minutes are being taken of this conference by way of digital
11 recording. Please be sure, if you haven't already to sign the
12 attendance sheet and if you brought along a business card, please
13 leave it in the designated basket in the rear of the room. Our
14 staff here has business cards available for you if you need them
15 once we adjourn.

16 I would like to make a few introductions of our DDA Staff.
17 Mr. Bernard Simons, Deputy Secretary for Developmental
18 Disabilities. Stephen LeGendre, Assistant Attorney General.
19 Allegra Daye, Contract Officer, representing the Office of
20 Procurement and Support Services. Ms. Sharita Alam, DDA's Chief
21 Financial Officer and Contract Monitor. Valerie Roddy, Deputy
22 Director for DDA. Melissa Glynn, Financial Consultant to DDA.
23 And, at this time we will go around the room and if you would
24 please introduce yourself and the company you represent. We can
25

1 start right here with you ma'am.

2 OGERTA SEMA: Hi, my name is Ogerta Sema from Public
3 Consulting Group.

4 DIANNE HEFTRON: Oh, I'm Diane Hetfron, I'm with
5 Mercer.

6 SARA ANDERSON: Sarah Anderson, Navigant.

7 JESSICA FOSTER: Jessica Foster, Health Management
8 Associates.

9 MARK PODRAZIK: Mark Podrazik from Burns and
10 Associates.

11 MICHELE FERGES: Thank you. At the conclusion of the
12 RFP overview there will be a question/answer session. Before
13 asking a question, if you would please state your name and the
14 name of the company you represent.

15 At this time I will turn things over to Allegra Daye who
16 will highlight the details regarding the procurement process and
17 the rules that govern that process.

18 ALLEGRA DAYE: Good afternoon, my name is Allegra
19 Daye. I'm here representing Michael Howard, the Procurement
20 Officer for this project. And, if you haven't done so, as Ms.
21 Ferges had stated, if you can leave your business cards in a box
22 back there as well as sign in.

23 I will give an overview of the procurement process for this
24 RFP. Minutes will be taken of this meeting and posted to E-

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1 Maryland Marketplace. And, if you haven't registered to E-
2 Maryland Marketplace, please do so, prior to bidding.

3 If you decide to not submit a proposal, please complete and
4 return the Vendor's Comment Form. The information from this
5 document will help the Department in planning for future
6 procurements.

7 Subsequent to this Pre-Proposal Conference, written
8 questions will be accepted by the Office of Procurement and
9 Support Services. If there is insufficient time for a response
10 to impact on proposal submission, questions and answers will be
11 distributed to all persons known by issuing office to obtain the
12 RFP and questions and answers, again, will be posted to E-
13 Maryland Marketplace.

14 The procurement method for this solicitation is
15 competitive, sealed proposals. The contract resulting from this
16 solicitation will be for a period of one year, beginning on or
17 about March 1, 2015 and with two one-year options to renew.
18 Also, there will be an Addendum, because in the first section on
19 the Contract, Section 1.4, Contract Duration, that had January
20 15, 2015 as the start date and it should be March 1, 2015.

21 All dates and times can be found on the Key Information
22 Summary Sheet in the front of the RFP. Proposals are due on or
23 about March 5th by 2:00PM local time. I'm sorry. Okay. Timely
24 submissions are vital. Late submissions will not be accepted.

25

1 This is a two-part submission for this proposal, Volume 1,
2 Technical Proposal and Volume 2, Financial Proposal. The general
3 format for proposals as stated in Section 4, your Technical and
4 Financial Proposal are to be submitted in separately sealed
5 envelopes for the purpose of this RFP. Technical and Financial
6 factors will receive equal weight.

7 Technical Proposals. Offerers are to submit one bind
8 Volume 1, Technical Proposal and Volume 2, Financial Proposal,
9 shall be in a sealed-sealed separately from one another, each
10 volume shall contain and unbound original, so identified; and
11 four (4) copies. One (1) CD marked Technical Proposal and one
12 copy of the Technical Proposal must be labeled PIA. See Section
13 1.14 for an explanation on PIA.

14 Confidential statement with justification, Offerers must
15 identify portions of their procurement-of their proposals which
16 they believe may contain trade secrets and/or confidential
17 proprietary information. Offerers must provide a justification
18 to support the position. If requests for information are made
19 under the Maryland Public Information Act, the Procurement
20 Officer will determine whether or not the information can be
21 disclosed.

22 Also, please include your Federal ID Number or your social
23 security number, acknowledgement of any addendums, if any; and
24 electronic mail addresses.

1 Important documents to be included with the Technical
2 Proposals, listed under Section 4.4.2, Volume 1, Technical
3 Proposal under additional required technical submissions.

4 Proposal Affidavit. If there is a question of who your
5 Resident Agent is, please call the State Corporate Charter
6 Division at 410-767-1330 and the Office is located at 301 West
7 Preston Street, Baltimore, Maryland, 21201.

8 In the Financial Proposal, Offerers shall enter all cost
9 information on Attachment F, Financial Proposal. Please review
10 Section 4.5, Volume 2, Financial Proposal, for all items to be
11 included with your Financial Proposal. And, one (1) unbound
12 original and four (4) copies of the Financial Proposal, clearly
13 labeled Financial Proposal are requested. One (1) CD marked
14 Financial Proposal and one (1) copy of the Financial Proposal
15 must be labeled, PIA.

16 The evaluation criteria is listed in Section 5 of the RFP.
17 The criteria are arranged in descending order of importance.

18 There are three acceptable means of delivering your
19 proposal. See Section 4.3 for delivery.

20 Your proposals will be reviewed and evaluated by an
21 Evaluation Committee that will be appointed by the issuing office
22 using the evaluation criteria set forth in Section 5 of the RFP.
23 The Committee may conduct discussions with Offerers and may
24 request best and final offers. If it is determined that

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1 discussions are needed, discussions will be held with all
2 Offerers and you will be notified at any time during the process
3 if it is determined that your proposal is not reasonably
4 acceptable for award.

5 The Committee shall recommend the Offerer whose overall
6 proposal provides the most advantageous offer. The unsuccessful
7 vendors may request a briefing after notification of non-award.

8 This concludes the procurement portion at this time and I
9 am going to turn it over to Ms. Sharita Alam, but before I do
10 that, actually, the due date is November 4, 2014 at 2:00PM.

11 SHARITA ALAM: I'm Sharita Alam, the CFO at DDA. I'm
12 here to give you a brief overview of the procurement. The DHMH,
13 Developmental Disabilities Administration is soliciting proposals
14 to support the development and execution of a rate setting
15 process. This rate setting process should look at all services
16 which include but are not limited to: residential, community
17 supported living, personal supports, personal care, individual
18 and family support services, day habilitation, supported
19 employment, one-time only and supplemental services. The
20 anticipated duration of services to be provided under this
21 contract is a 12 month base period and two 1-year option periods.

22 In the development and execution of a rate setting process,
23 the Contractor must take into account the legislation, Chapter
24 648, of the Acts of 2014, that was passed and signed by Governor
25

1 Martin O'Malley in 2014. Repealing the provisions of law
2 requiring the DDA to develop and implement a prospective payment
3 system for the distribution of State funds to providers of
4 community based services. In order to replace the respective
5 payment system, the legislation requires that the Administration
6 conduct an independent cost-driven rate setting study, develop
7 and implement a plan incorporating the findings of the study,
8 develop a strategy for assessing the needs of individuals
9 receiving services, provide adequate working capital payments to
10 providers, develop a sound fiscal billing and payment system,
11 establish a payment schedule and consult with stakeholders
12 including providers and individuals receiving services. This RFP
13 aligns with the requirements associated with the legislative
14 authorization to repeal the current respective payment system.

15 Through the rate setting analysis, the Contractor shall
16 develop a schedule of uniform fixed rates, by service type for
17 the DDA to utilize. The Contractor shall provide the DDA with a
18 documented rate setting and maintenance process that includes the
19 analysis design and implementation planning. The DDA requires
20 that the rates be economical but sufficient to reduce adequate
21 provider participation across all regions of the State. The
22 analysis must also adhere to all relevant regulations regarding
23 DDA rate, as well as with the CMS final rule released on January
24 16, 2014 for Medicaid Home and Community Based Services, and

1 should seek to maximize federal match during and post-
2 implementation.

3 In the contract base year, the Contractor shall provide-
4 shall develop a technical working plan, present a recommendations
5 report that would include a review of DDA's currently utilized
6 level of needs assessment scale, conduct a pilot rate setting
7 study effort focused on residential rates, develop rates for all
8 services and scope, implement town hall meetings and provider
9 working groups, develop an analysis identifying the fiscal impact
10 to providers—to both the provider community and the DDA, develop
11 an implementation plan for each rate and develop a rate
12 maintenance plan.

13 The contract base year deliverables should be priced on a
14 firm, fixed price basis. In the contract option—if the contract
15 option years are exercised, the Contractor may be called upon to
16 provide execution support. This will include updating service
17 rates as necessary, conduct an analysis on working capital
18 requirements, providing updates for rate publications and DDA
19 regulations, providing ongoing support to align rates with the
20 level of needs assessment scale and provide necessary ongoing
21 training to DDA providers. The contract option year deliverables
22 should be priced based on full loaded composite hourly labor
23 rates.

24 Finally, the Contractor will be required to provide monthly
25

1 project status reports, highlighting progress made against
2 deliverables, risks and issues and potential mitigation plans.

3 With that, I will open up the floor to any questions.

4 ALLEGRA DAYE: Please state your name and the company
5 you are with before you ask questions.

6 DIANNE HEFTRON: With Mercer—I'm Dianne with Mercer—so,
7 do you have provider's historical cost reports, so standardized
8 cost reports that you collect at this point, that they file with
9 the State?

10 SHARITA ALAM: We do have historical cost reports

11 DIANNE HEFTRON: They're standardized?

12 SHARITA ALAM: They are standardized.

13 UNKNOWN SPEAKER: There is a template.

14 DIANNE HEFTRON: Okay.

15 SHARITA ALAM: But there may be further research
16 that's required beyond the cost reports in order to develop the
17 new rates.

18 DIANNE HEFTRON: Okay, and one follow-up with that, is
19 there any—is there sort of a standardized web based entry for
20 them? Is there any verification or auditing of that done, or are
21 they just sort of filed with you?

22 SHARITA ALAM: The information in the cost reports is
23 independently audited. They are accompanied by independently
24 audited financial statements and they are verified by DDA for

25

1 completeness.

2 DIANNE HEFTRON: Okay, thank you.

3 ALLEGRA DAYE: Are there any other questions?

4 MARK PODRAZIK: Mark Podrazik, Burns and Associates.

5 Dove tailing on that question, will the Contractor have available
6 to them claims files or authorization files or provider files of
7 any type?

8 SHARITA ALAM: What do you mean by claims files, I
9 just want to understand your question.

10 MARK PODRAZIK: Are the providers today submitting
11 claims based on a fee for service method? Like, for a group
12 home, are they sending a bill once a month for a bill, or is it
13 more of a monthly payment or-

14 UNKNOWN SPEAKER: No, we-DDA is responsible for
15 submitting the Medicaid claims currently-

16 SHARITA ALAM: You're referring to the Medicaid
17 claims or the claims to the DDA?

18 MARK PODRAZIK: The claims that the provider submit to
19 the State, whoever they submit them to.

20 SHARITA ALAM: So, claims for payment-

21 MARK PODRAZIK: Yeah.

22 UNKNOWN SPEAKER: It's just terminology and I just
23 wanted to be sure that we were on the same page.

24 MARK PODRAZIK: Okay.

25

1 SHARITA ALAM: So, it's a prospective system, the
2 payments are generated based on prior historical costs and then
3 are reconciled after the fact based on actual earned data which
4 is input in to our web based system. Providers will go in, place
5 in their attendance information, what they actually provide, the
6 system generates earned data and then that's reconciled against
7 the-

8 MARK PODRAZIK: So, it's more like an encounter then,
9 would you say?

10 [crosstalk] Yeah, the web based entry? When you say, 'earned
11 data', meaning like the number of days the participant is in
12 service.

13 SHARITA ALAM: [crosstalk] attendance information-
14 attendance information, the actual number of days service was
15 provided, based on the attendance data and the existing rates,
16 the system will generate what they truly earned and then that is
17 reconciled against what was prepaid.

18 MARK PODRAZIK: Are the prepayments paid monthly?

19 SHARITA ALAM: Quarterly.

20 MARK PODRAZIK: Quarterly. Are the payments made by
21 service or all services combined to a provider?

22 SHARITA ALAM: By service, but they have been in the
23 same quarterly fashion.

24 SARA ANDERSON: My name is Sara, from Navigant. How
25

1 frequently are the providers currently submitting the cost
2 reports?

3 SHARITA ALAM: Through annual cost reports, and the
4 most recent one is from this year, 2013, '14 hasn't been
5 submitted yet.

6 MARK PODRAZIK: Yes, I have plenty of questions.
7 [crosstalk] with respect to the cost reports, does the State
8 anticipate that the Contractor would need to administer like a
9 wage survey or is that information on the cost report?

10 SHARITA ALAM: The wage surveys are administered by
11 the State. So, we are the ones that work on that template and
12 administer and they're submitted to us. So, that would be
13 available to the Contractor, but the Contractor would not be
14 required to administer the wage survey.

15 MARK PODRAZIK: So, with respect to the pilot, are you
16 anticipating that there would be any type of additional
17 information that the Contractor would need to get from the
18 providers or do you believe it's all in house between the cost
19 reports and the electronic web submissions and things of that
20 nature?

21 SHARITA ALAM: So, the anticipated path is to work
22 with the providers that the information that is currently
23 contained in the cost reports and the driver for doing this work
24 is the sense that there is insufficiency in what's in the cost
25

1 reports right now. So, the intent is there will be work, within
2 the pilot and with the rest of the rate development, with
3 providers directly and actually building that up and then the
4 cost reports and the wage survey information are just one set of
5 inputs, but there will be additional inputs from-

6 MARK PODRAZIK: So, the provider is feeling that not
7 all their costs are being captured or not being captured
8 specifically enough.

9 SHARITA ALAM: That is a concern, the state is
10 concerned with.

11 MARK PODRAZIK: Both?

12 SHARITA ALAM: Both.

13 MARK PODRAZIK: Okay. May I ask, what is the purpose
14 of the pilot rating setting effort as opposed to just doing
15 everything?

16 SHARITA ALAM: It's basically to test and to go
17 through the process. To ensure that there is a process that we
18 can validate as we move forward, a test run effectively, as well
19 as, making sure that we can engender support through the system.

20 MARK PODRAZIK: Okay. I only ask because depending on
21 how long the State considered the pilot will take, it seems like
22 the 12-month period is quite insurmountable to get everything
23 done. I don't know if the State has any opinion on that or what
24 their thoughts are as far as how long they think the pilot really

25

1 will take.

2 SHARITA ALAM: Well, the residential program is the
3 largest program with the highest number of costs and clients.

4 MARK PODRAZIK: Sure.

5 SHARITA ALAM: So, the hope is that once that
6 solidifies, rolling out the rest will not be as time consuming.

7 MARK PODRAZIK: But that's the part that's going to
8 take the longest because it's the most providers and biggest
9 dollars, so the pilot might actually take longer than the rest.
10 I would think. Okay. I mean, is there a public—does the State
11 have an official public comment period? Like whatever the
12 outcome of the pilot is, would that be formally proposed through
13 public comment and should that also be factored into the timing,
14 or is it more just through the meeting schedules with the
15 providers that you laid out?

16 SHARITA ALAM: I think the time line on that is
17 something we'll have to think about and maybe address in the
18 written questions that we submit answers to, but we'll address
19 that.

20 MARK PODRAZIK: Sure. I'm just thinking that if the
21 State has specific requirements around time frames that we have
22 to embed into that process, that might actually add more time
23 before the full—the rest can occur.

24 SHARITA ALAM: I think that's a valid point we'll
25

1 address.

2 MARK PODRAZIK: Okay. I don't know if anybody else
3 has questions. Okay. I'll keep going. Regarding the startup
4 period, what is anticipated that the Contractor would be doing in
5 the startup period? i.e., before go live.

6 SHARITA ALAM: That is anticipated time for the
7 contractor's internal process to prepare for the work.

8 MARK PODRAZIK: Oh, okay. We were just thinking if
9 for some reason the Contractor cancelled before go live and work
10 was done, there's no-

11 SHARITA ALAM: There is no formal requirement for
12 what this work entails.

13 MARK PODRAZIK: Okay. Got it. [pause] In the
14 provisions of the Acts of 2014, so-and I can put this in a
15 written question that's sections 7-306.1 and 306.3 were repealed.

16 VR: They were not repealed.

17 MARK PODRAZIK: They were not repealed, okay. Thank
18 you. [pause] In terms of the service descriptions, is there
19 anything available that's more specific other than what's in the
20 Guide to Services, the April 2014 Edition, Appendix C of the
21 Waiver, or the COMAR Title 10, Subtitle 22, or that is as
22 extensive as it gets?

23 UNKNOWN SPEAKER: That's as extensive as it gets.

24 SHARITA ALAM: And, those are probably the best
25

1 documents to look at for service descriptions.

2 MARK PODRAZIK: Okay. So, there's nothing like in a
3 provider contract, where it just incorporates those by reference
4 into a contract with the providers?

5 SHARITA ALAM: Correct.

6 MARK PODRAZIK: Okay.

7 DH: Dianne, from Mercer. How many providers submit cost
8 reports, how many are we talking about that will be in that
9 system? Any idea?

10 SHARITA ALAM: Roughly 150.

11 MARK PODRAZIK: Do you happen to know whether or not
12 there's email addresses there in case we need to contact them?

13 SHARITA ALAM: There are email addresses available. I
14 actually wanted to clarify here that not all of the providers
15 submit cost reports. Only the providers for day services,
16 residential, supported employment and CSLA currently provide cost
17 reports.

18 DH: Can you say that one more time, I'm sorry, I can't
19 write that fast.

20 SHARITA ALAM: Day, supported employment, residential
21 and the personal supports.

22 MARK PODRAZIK: So, does the State believe then that
23 for those that are not submitting cost reports, they in
24 particular might need some type of ancillary survey or something

25

1 like that to capture whatever information?

2 SHARITA ALAM: That's a fair assumption.

3 MARK PODRAZIK: Yeah, okay.

4 ALLEGRA DAYE: Any other questions?

5 UNKNOWN SPEAKER: This is not about cost reports. So, a
6 question about the assessment tools. So, there's a matrix that
7 you use to determine level of need, is there any ability to share
8 that matrix?

9 SHARITA ALAM: We can include a description of the
10 methodology for the matrix and where you can find that
11 methodology in subsequent communication.

12 UNKNOWN SPEAKER: And, one follow-up to that is, is
13 there any discussion of any tool that might replace that IIRS
14 tool

15 SHARITA ALAM: Yes. Yes, there is. There has been a
16 running pilot to replace the IIRS tool. The pilot has been done
17 with SIS and that is currently under review to expand and
18 continue on with that pilot process to expand the use of SIS.

19 UNKNOWN SPEAKER: If you were to use that, when would
20 you think that would roll out?

21 SHARITA ALAM: We would be continuing to use
22 the IIRS because that's the only bridge to—with that matrix score
23 is the bridge that links from a funding perspective. So, the
24 thought currently is to continue to use this in parallel until

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1 such time as we've worked through some of the rate study. So, we
2 would not be discontinuing the IRS at this point.

3 MARK PODRAZIK: How many participants have been
4 assessed with SIS and how many would be completely—how many would
5 it take to completely assess everybody?

6 SHARITA ALAM: At this point, I believe less than
7 1200 have been assessed with the SIS and we have well more—you
8 know, that's—we've done less than a tenth of the population.

9 MARK PODRAZIK: Okay. So, given that question and
10 their comments, I'm curious how much weight—I mean, is it a fore
11 gone conclusion that you think you're moving in the direction of
12 the SIS or we've noticed the deliverable about assessing other
13 tools. So, is that still an open question as to which tool you
14 might migrate tool or keep the one you have or like, what's the
15 status of the SIS pilot?

16 SHARITA ALAM: The assumption is we'll move forward
17 with the SIS. The additional tools that may be considered may be
18 updating—many states have looked at bridging the SIS, with some
19 kind of bridge to help look from a budgetary—

20 MARK PODRAZIK: Supplemental questions or things like
21 that?

22 SHARITA ALAM: Yes. Yes.

23 MARK PODRAZIK: Okay, thank you.

24 ALLEGRA DAYE: Any other questions?
25

1 OGERTA SEMA: Ogerta from PCG. I have a question
2 regarding the rates, when were they last set and by who?

3 [pause]

4 UNKNOWN SPEAKER: I didn't—we will check the history of
5 it, but it's been—there were some changes to the rate structure
6 to accommodate some changes to vacancies and some other things
7 that have happened over the course of the last—within the last
8 six years, but previously, I think generally the structure has
9 been in place for over 10 years. And, they were set within the
10 DDA by prior personnel. But we can—we'll pull up the exact
11 dates. They were done internally though.

12 ALLEGRA DAYE: Any other questions?

13 MARK PODRAZIK: Yes. So, with respect to working with
14 the providers and assuming you put in quotes, the contractor must
15 assume at least 20% of DDA's provider community will participate,
16 so is that 20% of the cost report submitters, the 150, or is that
17 20% of a larger number?

18 SHARITA ALAM: It should be 20% of each service type.
19 So, that includes providers that submit cost reports as well as
20 those that do not.

21 MARK PODRAZIK: But potentially the same provider
22 could sit on multiple groups, if they're residential and day for
23 example.

24 SHARITA ALAM: Yes.

25

1 MARK PODRAZIK: And, how many groups—you described it
2 by service category, but in your view, what are the service
3 categories? Like, how many?

4 SHARITA ALAM: If you look at Attachment P.

5 MARK PODRAZIK: Okay.

6 SHARITA ALAM: Where it highlights the current DDA
7 services. And, included the current billing unit for those
8 services. So, that lists residential, habilitation, day
9 habilitation, personal supports, respite, supported employment,
10 support brokerage, behavioral supports, community living
11 services, [inaudible 30:39] discovery and customization, family
12 and individual support services, shared living, transportation,
13 transportation self-direction, targeted case management are
14 considered as part of the scope of this effort.

15 MARK PODRAZIK: So, that's 14 groups. So, 20% of the
16 providers within each of the 14 groups.

17 SHARITA ALAM: Yes.

18 MARK PODRAZIK: That's a lot of work for 12 months.
19 Just that many meetings. I mean, I don't know how many your
20 anticipating—having done this in other states, sometimes it's 3
21 or 4, in one state I had 26 meetings with the providers, just in
22 the residential groups. So, that could be 100 meetings. Are the
23 providers anxious to meet or are they a recalcitrant group?

24 SHARITA ALAM: They are not a recalcitrant group.

25

1 MARK PODRAZIK: Okay. So, there won't be an issue of
2 getting participation to meet the 20% threshold-

3 SHARITA ALAM: We're not anticipating any issues with
4 the participation.

5 MARK PODRAZIK: In fact, we might get 100%
6 participation?

7 SHARITA ALAM: Providers will likely want to have
8 over the 20% participation.

9 MARK PODRAZIK: Okay.

10 MARK PODRAZIK: How much time do I have? I have more
11 questions. Should I-I can send them all written too, either way.

12 UNKNOWN SPEAKER: Well, if you feel so you want to get
13 some questions-[crosstalk]

14 MARK PODRAZIK: I'm letting anybody else who has
15 questions too, but okay. I'll keep going for a little bit. With
16 respective to the five year implementation horizon, is that
17 really more directed to the minimum wage legislation or is it a
18 thought that maybe because the shifts-because it's been so long
19 in rate changes, you might graduate rates in over time, or both?

20 UNKNOWN SPEAKER: I think it's just been so long, it's
21 just such a change.

22 MARK PODRAZIK: So, in other words, if said provider
23 was getting \$100 a unit and the new rate might be something like
24 \$80, you might do \$95, \$90, \$85, something like that?

25

1 SHARITA ALAM: Correct.

2 MARK PODRAZIK: Okay. [pause] And then, what's the
3 impetus around the working capital component? Is the thought
4 that there's not enough providers right now and so you need to
5 boost-

6 SHARITA ALAM: Well, it's the change from prospective
7 payment, so-that's the significance of the change, so right now
8 our providers currently anticipate a schedule of payment, or
9 shifting from that we may need to bridge-create a fiscal bridge
10 for them to move to a reimbursement model.

11 MARK PODRAZIK: So, couldn't that be done with this
12 five year phase in? You need the working capital on top of that?

13 SHARITA ALAM: Yes.

14 MARK PODRAZIK: Okay. [pause] Different from the
15 provider working groups by service type, when you mention the
16 Town Halls, who is the intended audience for the Town Hall? Is
17 it more advocates and participants or the providers, or
18 everybody?

19 SHARITA ALAM: It's intended for some of the
20 advocates, participants and providers as well.

21 MARK PODRAZIK: And, where in the process do you think
22 those might be held, like towards the beginning or after the
23 rates have been developed or throughout?

24 SHARITA ALAM: Anticipated beginning as a launch and
25

1 then likely to follow along with the plan, I think it's required
2 by submission as part of the overall plan and it's something that
3 can be recommended as part of this.

4 MARK PODRAZIK: And will the State arrange for the
5 Town Halls, or should the Contractor be responsible for that and
6 like audio/visual and all those types of things?

7 SHARITA ALAM: We will have to address that in the
8 Q&A.

9 MARK PODRAZIK: Okay. And, just to be clear, is the
10 requirement that its eight Town Hall meetings in total that will
11 be spread across four regions, so four regions times two, or is
12 it eight Town Halls times three regions, [inaudible 35:34]

13 SHARITA ALAM: Eight total.

14 MARK PODRAZIK: Eight total. Okay. [pause] With
15 respect to doing a fiscal impact, so some of the services
16 contained in Attachment P indicate the change in units from
17 monthly to hourly, so I guess—has there given any thought to the
18 ability, from the integrity of the fiscal impact that we're
19 depending upon maybe, assumed hours between the monthly versus
20 the hourly? Looking at the historic data, wherever the cutoff
21 point was, it might be difficult to [inaudible 36:30] how many
22 hours were in the old month, shall we say.

23 SHARITA ALAM: That's correct.

24 MARK PODRAZIK: Okay, so the State appreciates that.

25

1 So, whatever fiscal model is going to have a little caveat in it.

2 SHARITA ALAM: Right.

3 MARK PODRAZIK: [crosstalk] Okay. Okay. Okay.

4 [pause] And then, just from the prospective of billing, by the
5 Contractor. So, since so many things—the termination of the
6 deliverable actually won't be until the very end of the 12-month
7 period, is there any ability to bill up, like progress billings
8 monthly against that fixed dollar amount or is it everything is
9 billed at the end of the deliverable?

10 [pause]

11 UNKNOWN SPEAKER: So, the invoiced things should be the
12 tasks, identify the project plan, so it would be progress
13 billing.

14 MARK PODRAZIK: Okay, so not necessarily against the
15 Financial Proposal form, Items 1-9 then? I mean, presumably,
16 those will be key headings in the project plan?

17 ALLEGRA DAYE: So, basically you're asking, if this
18 is a monthly billing for services and then bill or bill before
19 the services?

20 MARK PODRAZIK: Well, not before. As they're
21 rendered, but not until the very end. Like, one of the—one of
22 the items is developing rates, Item #4 in the Financial Proposal.
23 Those rates may not be finalized until two weeks before the end
24 of the 12-months but all that work meeting with 14 groups, times

25

1 however many meetings and all that may happen throughout 12
2 months. So, that's all I'm asking. Say it was \$10K to make up a
3 number, can we bill as work is incurred to that cap, or do we
4 have to wait until all \$10K at the end?

5 SHARITA ALAM: So, I think the 1-9 is just to get a
6 sense of your fixed price and it would be progress billing
7 against the project plan deliverables.

8 MARK PODRAZIK: Thank you.

9 UNKNOWN SPEAKER: We'll clarify that response in the
10 written Q&A, but that is part of the reason to do monthly status
11 reports is to identify progress against the deliverable.

12 MARK PODRAZIK: Sure. And then, keeping on that page,
13 if the option is exercised for the extra years, are those fixed
14 hours or is that just more a benchmark to compare the hourly
15 rates for every contractor, or are those truly the hours?

16 SHARITA ALAM: No, those are just the anticipated
17 hours.

18 MARK PODRAZIK: Okay. [pause] I assume I have
19 another 12-13 minutes, so-[crosstalk] For-related to Attachment
20 P, the current services, are the current rates available anywhere
21 or can we provided those?

22 SHARITA ALAM: The rates are all on our website, but
23 we can provide the link to that.

24 MARK PODRAZIK: Okay. Thanks. I'll go back to the
25

1 beginning. [pause] In 3.2.1.2, you put paraphrasing, to the
2 maximum extent practical comparisons to existing market rates.
3 For a lot of these services, they're so specialized to this
4 population, there may not be a comparison. So, is that why the
5 clause, to the extent practical, is in there?

6 SHARITA ALAM: There is a section, I believe, right
7 after that, let me get to where it is. [pause] Would you mind
8 repeating the section where you were just reading from?

9 MARK PODRAZIK: 3.2.1.2 at the bottom of Page 25. Oh,
10 you did put, for those were--

11 SHARITA ALAM: Yes, exactly.

12 MARK PODRAZIK: --where one doesn't exist.

13 SHARITA ALAM: That section.

14 MARK PODRAZIK: Okay. And then it does--if the root of
15 the project is really to realign rates against cost reports, I'm
16 not quite--can the State explain what's the practicality of even
17 doing market rates? The market rates, we have found often do not
18 match cost report based rates, i.e., the cost report rate may end
19 up being higher, so would the State contemplate lowering the rate
20 in that case? Or, are you pretty much dependent upon the data
21 from the cost reports? In other words, what does the--what is
22 this provider reporting, is there a legitimate cost--well, they'll
23 all be legitimate, but what does the State actually want to pay,
24 are sometimes two different numbers?

25

1 SHARITA ALAM: Is your question which to rely on?

2 MARK PODRAZIK: Yeah, I guess, which one carries more
3 weight and that might inform how conscientious the Contractor may
4 be looking at market based rates.

5 UNKNOWN SPEAKER: I think that's something we'll follow
6 up on and get more guidance on but the prevailing Census, we
7 anticipate that the cost reports will not provide adequate basis
8 for all the rate information. So, there are gaps, we need to look
9 at some [inaudible 42:53] as well as what's mentioned in 3.2.1.2,
10 which is, there are other Maryland State Programs under Medicaid
11 that have—if you're going to look at anything else as a proxy—

12 MARK PODRAZIK: That'd be a logical place, right,
13 sure.

14 UNKNOWN SPEAKER: So, it may be drawing from the same
15 provider.

16 MARK PODRAZIK: Exactly, okay. Okay. Can you explain
17 and I'm referring to 3.2.1.5, that clause—if the proposed rate is
18 greater than the current rate, that analysis of the current unmet
19 need, growth will also be required. So, would be—would the
20 Contractor be using the electronic earned—I forgot the phrase you
21 used, like the earned data for that analysis, or what would you
22 think would be the logical source to define unmet need?

23 SHARITA ALAM: The earned would certainly feed into
24 that.

25

1 MARK PODRAZIK: I mean, would you think there might be
2 a need to actually provide—or offer—and maybe it's in the
3 provider meetings.

4 UNKNOWN SPEAKER: That's something that would be in the
5 provider section—

6 MARK PODRAZIK: In other states we've actually asked
7 providers, are there services you are not delivering because the
8 rate doesn't justify it or are there services that you're
9 delivering that you're not billing for.

10 SHARITA ALAM: Right, correct.

11 MARK PODRAZIK: That the State would not even know
12 because there's no reason to report that.

13 UNKNOWN SPEAKER: So, [inaudible 44:53] that's why,
14 these provider sessions that you know, all of that information
15 has not surfaced in cost reports for some of the decisions that
16 are made in terms of how to direct individuals into specific
17 services and how those services are actually built by the
18 providers. So, some of that is—is thought, would be part of
19 those interactions in person.

20 MARK PODRAZIK: Sure, okay.

21 JESSICA FOSTER: I have a question. The clause, just
22 about the one that was just read. This is Jessica with HMA.
23 Where it says, DDA requires a contractor to provide guidance on
24 reimbursement strategies for incentivizing as part of the rate
25

1 structure. I was wondering if DDA currently does anything to
2 incentivize outcomes and if you have any initial thoughts on
3 outcomes [inaudible 45:47] that you would be interested in
4 looking at?

5 UNKNOWN SPEAKER: Not currently.

6 MICHELE FERGES: Any other questions?

7 [pause]

8 UNKNOWN SPEAKER: One last question. In Section
9 4.4.2.6-A and B, can you just explain [inaudible 46:20]. Sorry,
10 4.4.2.6-A and B.

11 UNKNOWN SPEAKER: Are they repetitive in what they're
12 asking or are you looking for to respond to the scope for each of
13 those sections?

14 ALLEGRA DAYE: You need to respond—like, it's letting
15 you know, as far as the types—it's basically letting you know,
16 how to submit the proposal.

17 UNKNOWN SPEAKER: Okay.

18 MARK PODRAZIK: And, two pages back in 4.4.2.9 for the
19 References, do you want letters of reference or just the
20 information to contact them by phone or email?

21 SHARITA ALAM: I think Allegra can clarify, but I
22 believe the process is that they would provide the information—
23 that you would provide the information of the references and we
24 would follow up.

25

1 ALLEGRA DAYE: Yes.

2 MARK PODRAZIK: Okay.

3 [pause]

4 ALLEGRA DAYE: Any other questions?

5 [pause]

6 ALLEGRA DAYE: Now, if you have any questions after
7 this meeting, you can email them to Michael Howard. His email
8 address is listed in the section where his email—it's
9 DMHMsolicitations@Maryland.gov. This is for questions, so you
10 email it to him and we'll get back to you as far as—or, we'll
11 have them posted to E-Maryland Marketplace. The proceedings of
12 this meeting will be provided. Go to E-Maryland Marketplace, and
13 attachments and an addendum will be posted as well.

14 [pause]

15 SHARITA ALAM: We wanted to also clarify that any
16 questions received after October 17th we may not be able to
17 respond.

18 [pause]

19 ALLEGRA DAYE: Thank you.

20 [crosstalk]

21 [end of audio 49:20]

22

23

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25